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ECA Contracting Letter

Today, ECA sent a letter to Acting Assistant Secretary Mark Whitney requesting a dialogue to improve the DOE's contracting system. The letter was developed by the Contracting Subcommittee established by ECA in February in light of concerns communities have regarding the direction of DOE's procurement practices. The letter can be read in full here:

Dear Mr. Whitney:

Energy Community Alliance (ECA) is writing this letter to express concern about the direction of DOE procurement practices and how they impact our communities. As you know, ECA represents communities that host a broad array of DOE facilities from national laboratories to cleanup and closure sites.

DOE has been successful in many of its missions in the past, largely due to the success of its major contracts. The most successful contracts generated significant interest from a broad array of bidders due to incentives. Significant cleanup and research work was accomplished, small business was encouraged, and host communities benefited through local job creation from the reduction of environmental liabilities and investments in research and community diversity. It has been a win-win.

Our concern is that DOE is departing from the most successful contract mechanisms and past practices that cleaned up Rocky Flats, Fernald and the Hanford River Corridor. Instead, the latest

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procurement approaches replace incentives structures with punitive liabilities. The results have discouraged competition and small business integration. Tier 1 engineering firms are reluctant if not openly avoiding the latest round of DOE procurements. Good contractors are key to good outcomes and we feel that DOE's current approach is driving industry away.

Our communities depend on cleanup obligations being met, local small businesses being supported, and the positive outcomes from highly sought after competitive bids. Historically communities have served as vital partners with the DOE field offices and contractors. Now DOE seems to be focusing instead on centralizing the process, relying on the influence of DOE-HQ and thus, is becoming increasingly deaf to local needs and site-specific issues. Instead of empowering field offices to be more involved, the latest procurements seem to decouple contract decisions from local knowledge, insight and sensitivity to community needs. ECA is deeply concerned that DOE's procurement process is going the wrong direction.

Contracts do not appear to reflect the importance of contractors engaging with their host communities. The voice of the community, DOE Field Offices, and knowledgeable contractors seems to be drowned out. Short contract performance periods no longer line up with site-specific milestones or terminate just as the contractors finally come up to speed. Contract mechanisms no longer seem to align well with the scope of work being sought. ECA believes DOE has become overly risk-averse, loading contracts with risk and liabilities that discourage - rather than reward - innovation and creativity.

We are not yearning for the past, but we have learned a lot about contracting and the impacts on the cleanup work in our community and we are deeply concerned about the impacts that contracting has on the work in the future. There are major competitive bids due in the coming years. The current approach to contracting is proving to be increasingly insupportable to communities that host DOE sites. ECA has formed a subcommittee to review best contracting practices across the complex with an eye for replicating formulas that have proven to serve the mutual interests of DOE and the respective host communities.

During our deliberations, we would appreciate the opportunity to meet with EM leadership to discuss the issues and incorporate their comments into our review. When ECA completes its work, we would like to open a dialogue with you to share our

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recommendations. We, as elected officials, have a common interest and are seeking the same outcomes: successful cleanup, successful research, successful contracts and supportive communities.

Sincerely,
Chuck Smith
Chairman, Energy Communities Alliance and Councilmember,
Aiken County, SC

Administration Issues Veto Threat On Energy and Water Spending Bill

The Administration announced its strong opposition to HR 2028, the FY16 Energy and Water Development Appropriations Act. According to the Statement of Administration Policy, the bill underfunds critical investments in clean energy sources and adheres to spending limits that would hurt the economy. The Administration also objects to funding provided for Yucca Mountain and for the NRC to continue adjudication of the Yucca license application. The full statement can be read [here](#).

Scientific evidence too easily dismissed

Editorial by Rep. John Shimkus
Las Vegas Review-Journal
April 29, 2015
[LINK](#)

Nevada Gov. Brian Sandoval and former Nevada Sen. and Gov. Richard Bryan co-signed an op-ed earlier this month dismissing the remarkable scientific evidence in support of the Yucca Mountain Project (“Unsafe site won’t ever be safe for nuclear waste,” April 12 Review-Journal).

The reality is it took more than 30 years and \$15 billion before world-class scientists from the U.S. Department of Energy, the Nuclear Regulatory Commission and national laboratories and universities (including Nevada schools) were satisfied with their research to answer the fundamental question in the Yucca Mountain debate: Could this remote mountain — an invaluable national asset on a restricted plot of federal land bigger than the entire state of Rhode Island, surrounded by sparsely populated desert next to a former nuclear weapons test site — be used to safely and permanently secure our nation’s spent nuclear fuel and defense waste?

The NRC's answer, detailed in a nearly 2,000-page, five-volume Safety Evaluation Report finalized in January 2015, is "yes." Just as important as the finding that Yucca Mountain could meet all safety requirements for no less than a million years are the scientific methods used to reach that conclusion.

Even before a gigantic drill burst through what is now the south portal of the mountain's 5-mile exploratory tunnel to the cheers of workers at the facility, the goal of the federal government's scientific and technical review was to prove or disprove a simple hypothesis: Could Yucca Mountain serve as a safe and permanent repository for radioactive material? Neither the independent scientists nor the professionals from the Energy Department and the NRC, who worked for decades to answer that question, stood to gain or lose anything based on their objective analysis.

Decades before that independent safety evaluation was completed, however, politicians opposed to the project funded their own studies and paid their own experts to show the Yucca Mountain site was unsafe. These analysts sought to advance the preferred political narrative of the day, rather than unbiased scientific study to prove or disprove a hypothesis.

Their efforts were unsuccessful. Rather than show Yucca Mountain is unworkable, the evolution in siting criteria has actually improved upon the original designs for the project. Specific "engineering fixes," as Gov. Sandoval derides them, reduced the already negligible risk associated with permanent geologic storage — the world standard in nuclear waste management — well beyond the original safety assessment.

For example: Under the enhanced design, the maximum potential annual exposure to radiation from materials deposited in the facility would be less than 1 percent of what a Nevadan experiences standing outside on a sunny day.

Additionally, the Energy Department considered the safety of Yucca Mountain in a wide variety of extremely low-probability occurrences — including volcanic activity, massive ecosystem change and seismic activity. The NRC's evaluation concluded the facility would safely perform in any of those one-in-a-million possibilities.

If Nevada becomes a willing partner with the federal government to host a permanent repository, the state would benefit from the

return of thousands of high-paying jobs and infrastructure projects necessary to move the shipments of spent fuel and defense materials to the mountain without intersecting population centers. Some financial benefits and the opportunity to negotiate benefit agreements are already law. Nevada would also benefit from other advantages associated with host communities, such as increased local and state tax revenue and an emphasis on high-quality educational programs.

Another benefit, federal funds for local communities to monitor for environmental effects, has previously been paid to Nye County and surrounding counties.

These funds allow those closest to the project to actively participate in the debate and continued study of the site. Beyond these established benefits, I've also personally offered to discuss additional benefits with state, local and tribal leaders — including financial, infrastructure, transportation and resource requests.

Work remains to move forward with the Yucca Mountain Project. The NRC is still working to complete an additional environmental impact study and, once resumed, adjudication of the licensing process will take several years. As the debate moves forward, it's clear that science can no longer be used to justify opposition to the project.

We need to complete the licensing process at the NRC to determine, after 30 years and \$15 billion, whether Yucca Mountain can serve as a valuable national asset.

Rep. John Shimkus, R-Ill., is chairman of the House Energy and Commerce environment and economy subcommittee.